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Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

May 20, 2010

CERTIFIED RETURN RECEIPT
7004 1160 0003 0190 4369

Marcus Southworth
Western Utah Copper Company
12080 South 200 West
P. O. Box 492
Milford, Utah 84751

Subject: Notice of Cancellation/Termination of Reclamation Surety Bond Number _____
Western Utah Copper Company, WUCC Copper Mine, M/001/0067, Beaver County,
Utah

Dear Mr. Southworth:

The Division of Oil, Gas and Mining (Division) was notified today in a telephone conversation that the surety bond for the WUCC Copper mine (M/001/0067) was cancelled March 2, 2010, effective May 31, 2010. The terms of the surety state that the bond may be cancelled by the Surety ninety (90) days following receipt by the Division and Principal of such cancellation. **The Division did not receive notice of the cancellation**, but we are proceeding as if the notice was received and that the bond will be cancelled effective May 31, 2010.

Paragraph 5 of the Reclamation Contract, states the operator shall provide a replacement surety within sixty (60) days following the Division's receipt of the cancellation/termination notice. If you fail to provide a replacement surety within this time frame, the Division will be forced to do any/some of the following:

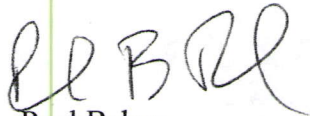
- Carry out the terms of surety bond number 220 96 76
- Submit a request to the Board of Oil, Gas and Mining to withdraw the permit
- Order the cessation of mining operations
- Order immediate reclamation of all lands affected



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If you have questions or require assistance regarding the surety, please contact Penny Berry (801) 538-5291 or email bondcoordinator@utah.gov . Other questions may be directed to me at 801-538-5261. Thank you in advance for your prompt attention to this important permitting requirement.

Sincerely,

A handwritten signature in black ink, appearing to read 'PB', is written over the printed name 'Paul Baker'.

Paul Baker
Minerals Program Manager

PBB:pb

Cc: Insurance Company of the West
Ed_ginouves@blm.gov
Opie_abeyta@blm.gov

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